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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

**DECLARATION OF ROBERT CAMPAGNA,
MANAGING DIRECTOR OF ALVAREZ & MARSAL
NORTH AMERICA, LLC, IN SUPPORT OF THE DEBTORS' MOTION
REGARDING OWNERSHIP OF EARN ASSETS AND THE SALE OF STABLECOIN**

I, Robert Campagna, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director with Alvarez & Marsal North America, LLC (together with its wholly-owned subsidiaries and independent contractors and also with employees of its professional service provider affiliates, all of which are wholly-owned by its parent company and employees, "A&M"), a restructuring advisory services firm with numerous offices throughout the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

country. Celsius Network LLC (“Celsius”) along with certain of its subsidiaries and affiliates, are debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”).

2. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have been informed of such matters by professionals of A&M. I am also familiar with the *Debtors’ Amended Motion for Entry of an Order (I) Establishing Ownership of Assets in the Debtors’ Earn Program, (II) Permitting the Sale of Stablecoin in the Ordinary Course, and (III) Granting Related Relief* (the “Amended Motion”),² filed contemporaneously herewith.

3. I submit this declaration (this “Declaration”) in support of the Amended Motion. Unless otherwise indicated, the statements set forth in this Declaration are based upon (a) my personal knowledge of the Debtors’ business, (b) information learned from my review of relevant documents, (c) information I received from the A&M team working under my supervision or the Debtors’ management team and other advisors, or (d) my experience as a restructuring professional. I am not being specifically compensated for this testimony other than through payments that are proposed to be received by A&M as a professional retained by the Debtors. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

Qualifications

4. Since 1983, A&M has been a global provider of turnaround advisory services to companies in crisis or those in need of performance improvement in specific financial and operational areas. A&M’s debtor advisory services have encompassed a wide range of activities targeted at stabilizing and improving a company’s financial position, including developing and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Amended Motion.

validating forecasts and business plans; monitoring and managing cash, cash flow, and supplier relationships; assessing and recommending cost reduction strategies; and designing and negotiating financial restructuring packages.

5. Since the Debtors engaged A&M in June of 2022, I have worked closely with the Debtors' management and other professionals with respect to the Debtors' restructuring efforts, including assisting the Debtors in preparing cash flow projections, budgets, and other financial information. I lead the A&M team advising the Debtors.

6. I have over 25 years of distressed company advisory experience. Through roles in both senior management and as a restructuring advisor, I have substantial experience helping financially-distressed companies stabilize their financial condition, analyze their operations, and develop business plans to accomplish the necessary restructuring of their operations and finances. I have advised clients in numerous major bankruptcy cases, including *In re Murray Energy Holdings Co.*, No. 19-56885 (JEH); *In re Stearns Holdings, LLC*, No. 19-12226 (SCC); *In re Westmoreland Coal Co.*, No. 18-35672 (DRJ); *In re Payless Holdings LLC*, No. 17-42257 (KSS); *In re Alpha Natural Res., Inc.*, No. 15-33896 (KRH); *GT Advanced Techs. Inc.*, No. 14-11916 (HJB); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS); *V2V Holding LLC*, No. 12-11385 (MG); *Education Holdings I, Inc.*, No. 13-10101 (BLS); *Orchard Brands Corp.*, No. 20-10566 (MFW); *Cooper-Standard Auto.*, No. 09-12743; and *Interstate Bakeries Corp.*, No. 04-45814 (JWV). I received my bachelor's degree in business administration from Bucknell University. I am a Certified Public Accountant (inactive) and a Certified Insolvency and Restructuring Advisor.

Liquidity Monitoring

7. To minimize the risk of disruption to these cases caused by potential liquidity constraints, the Debtors' management team and the A&M team have continually worked to assess and forecast the Debtors' cash flows and liquidity position. As part of these efforts, and to comply with the reporting framework to which the Debtors and the Official Committee of Unsecured Creditors have agreed, A&M has been assisting the Debtors with the preparation of regular budgets and reports, including cash flow forecasts and related variance reports, cash balance reports, and cryptocurrency balances reports. These budgets, schedules, and reports take a number of factors into account, including, but not limited to, the effects of the chapter 11 filing (including the cessation of customer-facing activities), ongoing operational costs, and general cryptocurrency market instability.

8. Based on the A&M team's analysis following discussions with management, my experience in restructuring, and my familiarity with the Debtors and their operations, I believe that, on a consolidated basis, the Debtors may require additional liquidity as soon as the first quarter of 2023. Further, certain segments of the business may require additional liquidity as soon as January 2023.

9. In light of this projection, I have had a number of discussions and meetings with the management team and the Debtors' advisors regarding this upcoming need and the potential forms that the liquidity infusion could take. Following those discussions, we have determined that the proposed sale of stablecoins would meaningfully extend the Debtors' liquidity runway and would be in the best interests of the Debtors' estates.

Sale of the Earn Stablecoins

10. From my review of the Debtors' books and records, the Debtors and their affiliates hold eleven different forms of stablecoins totaling approximately \$23 million in their main Fireblocks accounts and \$44 million in their custody Fireblocks account. It is my understanding that the Debtors only intend to sell stablecoins identified as "Net Earn Assets," (as defined / described below) pending a ruling on ownership of assets in the Custody Program, Withhold Accounts, or Borrow Program. A&M worked with the Debtors to reserve stablecoins in an amount sufficient to cover customer liabilities, on a coin-by-coin basis, associated with the Custody Program, Withhold Accounts, and collateral in the Borrow Program, when available. The balance of the Debtors' stablecoins after these reserves are what the Debtors define as "Net Earn Assets."

11. To determine the size and scope of the reserves, we first determined the types of stablecoins available to sell, which include USD Coin ("USDC"), Tether ("USDT"), Gemini Dollar ("GUSD"), Binance USD ("BUSD"), Multi-Collateral Dai ("MCDAI"), TrueUSD ("TUSD"), Paxos Standard ("PAX"), Synthetix USD ("SUSD"), Zytara USD ("ZUSD"), Tether EURT ("EURT"), and USDT ERC20. Next, for each coin type, we determined: (i) how many of that type of coin are in the Debtors' main and custody Fireblocks accounts, and (ii) what the Debtors' total potential customer liability exposure was as to that coin type in connection with the Custody Program, the Withhold Accounts, and collateral in the Borrow Program (this second figure amounting to the "Reserve Liabilities"). Once we identified each of these figures, we determined on a coin-by-coin basis how many stablecoins to propose to sell, if any. The Debtors do not propose to sell any stablecoins of a particular type if the Debtors do not have a sufficient number of that type of stablecoin to honor the Reserve Liabilities for that coin in kind.

12. Following these calculations, we determined that there were approximately \$18 million worth of stablecoins available for sale as “Net Earn Assets.” Attached as **Exhibit A** is a schedule showing the results of the above-described reconciliation, including a coin-level accounting of the approximately \$18 million worth of stablecoins the Debtors request authority to sell and a coin-level accounting of the proposed reserves.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: November 11, 2022

/s/ Robert Campagna

Name: Robert Campagna

Title: Managing Director

Alvarez & Marsal North America, LLC

Exhibit A

Proposed Stablecoins for Sale and Reserve

As of October 28, 2022

Coin Type	Price	Stablecoin Assets on Fireblocks							
		Main Accounts		Custody Account		Reserve Liabilities		Net Earn Assets	
		#	\$	#	\$	#	\$	#	\$
USDC	\$1.000	3,142,311	\$3,141,683	36,124,008	\$36,116,783	44,643,836	44,634,907	-	-
USDT ERC20	\$1.000	17,848,309	17,848,309	1,939,202	1,939,202	3,345,738	3,345,738	16,441,773	16,441,773
GUSD	\$1.002	25,447	25,485	4,638,752	4,645,710	6,017,598	6,026,624	-	-
BUSD	\$1.000	363,672	363,527	157,750	157,687	160,536	160,472	360,887	360,743
MCDAI	\$1.000	1,476,016	1,476,016	468,665	468,665	825,592	825,592	1,119,089	1,119,089
TUSD	\$1.000	1,341	1,341	291,142	291,142	292,788	292,788	-	-
PAX	\$0.997	218	218	393,165	391,985	590,902	589,129	-	-
SUSD	\$1.020	1,000	1,020	-	-	-	-	1,000	1,020
ZUSD	\$1.025	79,119	81,097	1	1	0	0	79,120	81,098
EURT	\$0.997	343	342	-	-	-	-	343	342
USDT	\$1.000	107,486	107,486	-	-	-	-	107,486	107,486
Total			\$23,046,523		\$44,011,176		\$55,875,249		\$18,111,551

Note: For certain stablecoin types (USDC, GUSD, TUSD, PAX), the Debtors do not hold sufficient quantities in order to fulfil the amount of the Reserve Liabilities. For such coin types, the Debtors do not intend to monetize any amounts.